

Message Text

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PAGE 01 SEOUL 07717 270413Z

17

ACTION EB-07

INFO OCT-01 EA-07 ISO-00 AGR-05 CEA-01 CIAE-00 COME-00

DODE-00 FRB-03 H-02 INR-07 INT-05 L-03 LAB-04 NSAE-00

NSC-05 PA-01 AID-05 CIEP-01 SS-15 STR-04 ITC-01

TRSE-00 USIA-06 PRS-01 SP-02 OMB-01 FEA-01 AGRE-00

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R 270329Z SEP 76

FM AMEMBASSY SEOUL

TO SECSTATE WASHDC 9703

INFO AMEMBASSY TAIPEI

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PASS STR

E.O. 11652: N/A

TAGS: ETRD KS

SUBJ: TARIFF LEVELS

1. AMBASSADOR YEUTTER DISCUSSED SECTION 301 CASE WITH MINISTER SUN (ECONOMIC AFFAIRS), VICE MINISTER CHEN (FOREIGN AFFAIRS), AND VICE MINISTER HSU (FINANCE) OF THE REPUBLIC OF CHINA. INDICATIONS ARE THAT CASE HAD NOT BEEN TAKEN SERIOUSLY BY ROC OFFICIALS, NOTWITHSTANDING STRONG APPEALS BY US EMBASSY STAFF IN TAIPEI. THIS IS NOW QUITE LIKELY TO CHANGE. ALL THREE OFFICIALS EXPRESSED A DESIRE TO DO EVERYTHING POSSIBLE TO RESOLVE MATTER.

2. MINISTER SUN ASKED IF US WOULD CONSIDER A TARIFF ROLLBACK FROM 60 PERCENT TO 45 PERCENT ON THE SEVERAL ITEMS AT ISSUE TO BE RESPONSIVE TO OUR CONCERNS. AMBASSADOR YEUTTER STATED THAT THIS WOULD CERTAINLY HELP. MINISTER SUN SAID THAT THIS COULD BE DONE QUITE EASILY BECAUSE IT WAS WITHIN ADMINISTRATIVE DISCRETION OF THE EXECUTIVE BRANCH OF ROC GOVERNMENT (TARIFF
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PAGE 02 SEOUL 07717 270413Z

LEVELS ON COLOR TV AND REFRIGERATORS HAVE ALREADY BEEN ROLLED

BACK.). HE SUGGESTED POSSIBILITY OF DOING THIS SOME TIME BEFORE FIRST OF YEAR. AMBASSADOR YEUTTER EMPHASIZED THAT EARLIEST POSSIBLE RESPONSE WOULD BE APPRECIATED BECAUSE OF REQUIREMENTS OF US LAW. US EMBASSY TAIPEI WILL FOLLOW UP IN A FEW DAYS AND ENCOURAGE ROC GOVERNMENT TO TAKE THIS ACTION QUICKLY.

3. MORE DIFFICULT PROBLEM RELATES TO US REQUESTS THAT TARIFF LEVELS ON FREEZERS AND COLOR TV SETS AND STANDS BE ROLLED BACK TO 33 PERCENT, AND THAT PRESENT 104 PERCENT TARIFF ON FIBER CARPETS BE REDUCED. THERE SEEMS TO BE SOME QUESTIONS AS TO WHETHER THIS CAN BE DONE ADMINISTRATIVELY. US EMBASSY TAIPEI WILL VERIFY. NONE OF THE ROC OFFICIALS WAS ENTHUSED ABOUT THESE POTENTIAL CHANGES, BUT NEITHER WERE THEY REJECTED. MINISTER SUN POINTED OUT THAT THE LONG TERM POLICY OF THE ROC GOVERNMENT IS TO REDUCE TARIFFS, AND THAT TARIFF LEVELS ARE REVIEWED ANNUALLY. HE IMPLIED THAT SOME OF THESE HARDER CASES MIGHT BE ENCOMPASSED IN THE ANNUAL REVIEW, WHICH WILL TAKE PLACE SOON. THE FURTHER IMPLICATION IS THAT IT WOULD BE EASIER TO DEAL WITH THESE CASES IN THE ANNUAL PACKAGE, WHERE NOT SO MUCH ATTENTION WOULD BE FOCUSED ON THEM. AMBASSADOR YEUTTER NOTED THAT ROC TRADE BALANCE WITH U.S. WOULD CERTAINLY JUSTIFY A POSITIVE RESPONSE TO OUR REQUESTS, AND THAT TARIFF REDUCTIONS SHOULD ALSO BE IN LONG TERM BEST INTEREST OF ROC.

4. IF TARIFFS ON "HARD ITEMS" CAN BE REDUCED ADMINISTRATIVELY, US EMBASSY TAIPEI WILL CONTINUE TO PRESS FOR PROMPT REDUCTIONS BY THAT MEANS. IF NOT, EMBASSY WILL PRESS FOR THEIR INCLUSION IN NEXT ANNUAL REVIEW. CHANCES FOR SUCCESS ON MOST, IF NOT ALL, ITEMS WOULD SEEM TO BE QUITE GOOD.

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Message Attributes

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Disposition Date: 28 MAY 2004
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Disposition History: n/a
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Disposition Remarks:
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Enclosure: n/a
Executive Order: N/A
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